

**AGENDA ITEM V**

**PROPOSED NEW ACADEMIC/RESEARCH UNIT**

**LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER-NEW  
ORLEANS AND THE UNIVERSITY OF NEW ORLEANS**

**RESEARCH INSTITUTE FOR CHILDREN**

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#### **RESEARCH INSTITUTE FOR CHILDREN**

##### **STAFF ANALYSIS**

#### **1. Description**

The Research Institute for Children (RIC) was established in 1998 to promote and conduct medical and basic research in the diagnosis, treatment and prevention of pediatric diseases, injuries and illnesses. RIC, a collaboration among Children's Hospital, the LSU Health Sciences Center in New Orleans (LSUHSC-NO) and the University of New Orleans (UNO) is housed on the Children's Hospital campus; it is supported with operating funds provided by Children's Hospital and augmented by extramural grant awards obtained by faculty.

The collaborative efforts of the three institutions reinforce the public service component of their respective missions by improving the health and well-being of children through research, education and clinical service.

##### **a. Research**

RIC seeks to build on the strengths of each institution. It has drawn upon LSUHSC-NO's faculty with established strengths in pediatric infectious diseases and immunology, diabetes, renal disease and hypertension. Expertise in computer sciences and chemistry in UNO's faculty is integral to RIC activities. Common to all basic and applied research projects are immunology, microbiology, inflammation, transcriptional regulation, signal transduction and computational analysis. The inter-institutional collaboration coordinates efforts, fosters sharing of ideas and eliminates redundant processes, procedures and expenditures.

##### **b. Education**

The stated academic goal of RIC is to provide research training for academic scientists. A strong core of basic scientists with faculty appointments at LSUHSC-NO and UNO as well as clinical faculty from LSUHSC-NO and Children's Hospital provide laboratory based education and training to post-doctoral fellows and graduate students. At RIC weekly formal work progress sessions, attendance and participation is required of doctoral level graduate students, post-doctoral fellows and faculty. Informal lab meetings and manuscript reviews also occur regularly. However, RIC faculty also participate in formal

didactic and seminar teaching on each of the University campuses at the undergraduate, graduate and medical students from six Universities (LSUHSC, UNO, Dillard, Loyola, Tulane and Montana State University).

### **c. Clinical Service**

The Clinical Trials Center (CTC) was established at Children's Hospital in 1999 to improve health care for children and adolescents through the development of new medications and treatments. CTC organizes Hospital, LSUHSC and community physicians into a multi-specialty network. CTC provides effective administrative expertise and a staff experienced in the conduction of clinical trials which offer physician investigators the tools necessary for conducting clinical trials within the confines of their practices. CTC extends the clinical research opportunities for RIC faculty while serving the clinical needs of patients in the area. The CTC recently became a pediatric satellite of the General Clinical Research Center, a National Institutes of Health (NIH) funded unit of LSUHSC-NO and Tulane University School of Medicine.

## **2. Need**

Care and treatment of ill and injured children was occurring at LSUHSC-NO's hospital facilities as well as at Children's Hospital. However, a commitment to improving standard care and treatment protocols necessitated the creation of a Research Institute, which was part of Children's Hospital's strategic plan. In order to grow a first class unit, the Hospital had to be able to attract superior research faculty. Hence, the Hospital associated with appropriate LSUHSC-NO and UNO faculty and established of a superlative facility for research. While research endeavors of RIC ultimately benefit the health of children everywhere, its existence also serves as a strong recruiting tool for LSUHSC-NO, UNO, Children's Hospital.

Economic advantages to Louisiana, more specifically to the New Orleans area, result from RIC's employment of a support staff of thirty-three, and its success in having over \$2.5M in grant awards annually.

RIC seeks formal recognition by the Board of Regents in order to consolidate some administrative functions presently scattered through several departments and institutions. Formal recognition should provide a pathway for more effective collaboration among faculty LSU Departments and Schools and provide a competitive advantage for securing federal and state funding through grant awards.

## **3. Faculty**

RIC research faculty are employed by either LSUHSC-NO or UNO. The majority of faculty compensation and benefits are funded by Children's Hospital through Professional Services Contracts, which define duties and reporting responsibilities of the Director as well as RIC faculty. Ten faculty are supported at 100% by Children's Hospital; four faculty are supported at 100% by LSUHSC-NO. Eight LSUHSC-NO and three UNO faculty are partially supported by their respective institutions and partially by Children's Hospital.

#### **4. Facilities and Equipment**

RIC is housed within the \$20 million Research and Education Building, dedicated in 2002, on Children's Hospital campus. The building includes 60,000 square feet of laboratories and offices for all RIC faculty as well as support space which includes an animal facility and four core laboratories. In addition to RIC faculty, researchers from the Department of Pediatrics at LSUHSC-NO and their equipment are housed in the building, which is maintained by Children's Hospital.

Research is conducted utilizing both individual laboratory and shared equipment. New investigators are given appropriate start-up funds for purchasing equipment needed for establishing functional laboratories. State of the art equipment and well staffed core laboratories are shared by researchers. A common equipment fund of approximately \$3,000,000 was established at the time of facility construction.

Faculty and grant administration, information technology assistance, animal care, instrument operation and laboratory assistance are provided by the thirty-three member support staff.

#### **5. Administration**

Formal inter-institutional agreements between Children's Hospital and LSUHSC-NO and UNO govern RIC. (Copies of these documents are available in Academic Affairs). The RIC Director reports to the Dean of the School of Medicine and the Vice President of Research and the CEO of Children's Hospital. An organizational chart displaying the reporting lines within RIC is attached. (See Attachment.)

Academic and teaching related issues are addressed between RIC faculty and their respective department chairs, while research progress and research direction are the responsibility of the Director of RIC.

An Advisory Board consisting of individuals appropriately representing all three institutions will annually review extramural funding activities as well as overall operations of RIC. The Board is intended to provide oversight and assist in strategic management of RIC's institutional goals and directions. Should inter-institutional problems arise, this Board would serve as a mediator. To date, the Board has not identified problems nor experienced significant challenges.

RIC has proposed the formation of a Scientific Advisory Board (SAB), which will be comprised of external (non-LSUHSC or UNO) scientists having national and international recognition expertise in areas relevant to RIC research. The RIC Director will nominate members; the Advisory board will be asked to approved nominations. Five SAB members are anticipated.

#### **6. Budget**

Children's Hospital, through its endowment, provides RIC with its primary source of operating funds. According to Children's Hospital's audited financial statements for the year ending

December 31, 2003 (the most recent year for which records were available at the time the proposal was assembled), the hospital's net support for RIC was \$4.6 million, with net support defined as total operating expenses less extramural grant funding.

RIC income is shown in the table which follows.

<b>RIC Revenue</b>	<b>Year 1 2005</b>	<b>Year 2 2006</b>	<b>Year 3 2007</b>	<b>Year 4 2008</b>	<b>Year 5 2009</b>
Fed Grants	\$ 2,009,766	\$ 1,412,752	\$ 1,052,973	\$ 216,662	\$ 57,995
State Grants	27,080	27,080			
Other Grants	331,250	271,250	145,000	107,000	119,000
Pending Rev	225,114	1,030,941	1,054,061	1,809,790	1,904,835
<b>TOTAL REVENUE</b>	<b>\$ 2, 593,210</b>	<b>\$ 2,742,023</b>	<b>\$2,252,034</b>	<b>\$ 2,133,452</b>	<b>\$ 1,904,835</b>

Grant monies have been awarded by the National Institute of Health (NIH), the Krohn's Colitis Foundation, the American Diabetes Association, the Board of Regents, the Juvenile Diabetes Research Foundation, the National Science Foundation, as well as other agencies.

RIC collaboration results in the Hospital's primary contribution of financial support with the Universities contributing intellectual capital. Therefore, the monetary commitment from the Universities is minimal and represents the portion of RIC faculty salaries not covered by Children's Hospital, as shown in the table which follows.

<b>Estimated salary contributions by LSUHSC-NO or UNO for RIC faculty</b>					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
LSUHSC-NO	\$ 217,000	\$ 217,000	\$ 217,000	\$ 217,000	\$ 217,000
UNO	289,000	314,000	314,000	314,000	314,000
<b>LSU System Contributions</b>	<b>\$ 506,000</b>	<b>\$ 531,000</b>	<b>\$ 531,000</b>	<b>\$ 531,000</b>	<b>\$ 531,000</b>

Estimated expenses for RIC are shown in the table which follows.

<b>Estimated RIC Expenses</b>	<b>Year 1 2005</b>	<b>Year 2 2006</b>	<b>Year 3 2007</b>	<b>Year 4 2008</b>	<b>Year 5 2009</b>
Administration	\$ 551,000	\$ 565,000	\$ 580,000	\$ 595,000	\$ 611,000
Faculty	1,419,000	1,525,000	1,638,000	1,754,000	1,879,000
Technical Personnel	933,000	1,003,000	1,077,000	1,153,000	1,235,000
Grad Fellows Post Docs	361,000	432,000	508,000	586,000	668,000
Supplies	1,289,000	1,369,000	1,454,000	1,542,000	1,634,000
Travel	60,000	63,000	66,000	69,000	72,000
Animal Care	170,000	179,000	188,000	197,000	207,000
Gen Allocated Overhead	1,496,000	1,634,000	1,783,000	1,941,000	2,109,000
Facil & Equip (Deprerec)	1,596,000	1,647,000	1,700,000	1,754,000	1,810,000
<b>Total Expenses</b>	<b>\$ 7,875,000</b>	<b>\$ 8,417,000</b>	<b>\$ 8,994,000</b>	<b>\$ 9,591,000</b>	<b>\$ 10,225,000</b>

The Hospital defines its financial obligation to RIC as Net Support (total operating expenses less extramural grant funding). The actual amount of support for 2003 as well as the projected Net Support for ensuing years are shown in the table below.

<b>Net Support of RIC by Children's Hospital*</b>						
2003	2004	2005	2006	2007	2008	2009
\$ 4.646M	(\$ 5.050M)	(\$ 5.459M)	(\$ 5.689M)	(\$ 5.922)	(\$ 6.150M)	(\$ 6.381)

\* Projected amounts shown in parentheses

Funding committed by Children's Hospital to RIC is sufficient to operate the Institute in the absence of any grant monies. However, RIC has been increasingly successful in attracting extramural funding since its inception; that success is expected to continue.

While RIC activities would be markedly curtailed if anticipated grant monies did not materialize, the funds required to meet RIC faculty salary commitments will never exceed the approved budget from Children's Hospital. Children's Hospital expects to maintain this level of net support for the foreseeable future and certainly through 2009.

Because the Research Affiliation Agreement (available in the office of Academic Affairs) establishes the relationship with RIC and its faculty and delineates salary commitments, retention, etc, no additional contingency plan is deemed necessary.

### **STAFF SUMMARY**

The staff compliments the LSUHSC-NO, UNO and Children's Hospital for a very effective collaboration serving Louisiana's children and benefitting the State. Faculty from the Departments of Pediatrics, Microbiology and Biochemistry at LSUHSC-NO and from the Departments of Computer Science and Chemistry & Biochemistry at UNO come together in an ideal research setting on the campus of Children's Hospital to conduct basic as well as clinical research. The inter-institutional relationship is mutually beneficial. RIC goals reinforce the missions of the two academic institutions; indeed, the RIC offers a uniquely supportive environment which fosters research, education and clinical instruction.

### ***STAFF RECOMMENDATION***

***The staff recommends that the Academic and Student Affairs Committee grant approval for the Research Institute for Children, a collaboration of the Louisiana State University Health Sciences Center at New Orleans, the University of New Orleans, and Children's Hospital for a period of five years, effective immediately.***

**ATTACHMENT**